

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, April 2, 1997

IMPLEMENTATION OF AB 2431

PURPOSE OF REPORT

To revise the policy regarding the abandonment, replacement and allowances for portable classrooms.

DESCRIPTION

On May 27, 1992 and July 28, 1993, the State Allocation Board (SAB) established policies regarding the abandonment, replacement and construction allowances for portable buildings under the Lease-Purchase Program. Assembly Bill 2431, Chapter 470, Statutes of 1996, makes modifications to these policies and allows districts to abandon certain portables and replace the area with permanent construction if the added cost is paid separately by the district.

The Office of Public School Construction (OPSC) and the SAB Implementation Committee have reviewed the policies and recommend the modifications as shown on the attachment.

RECOMMENDATIONS

1. Adopt the attached policy regarding the abandonment, replacement and construction allowances for portable buildings.
2. Apply this policy for all portable classroom abandonment requests approved by the SAB in a project where the bid was approved by the SAB on or after January 1, 1997.

ATTACHMENT

ABANDONMENT, REPLACEMENT AND CONSTRUCTION
ALLOWANCES FOR PORTABLE BUILDINGS

DEFINITION

For purposes of this policy, any classroom that meets the criteria outlined in Education Code Section 17742.5 (b) regarding the definition of a portable classroom will be classified as a portable building and, therefore, subject to the provisions of this policy.

All other conforming facilities with the exception of relocatables that bear an insignia from the Housing and Community Development are deemed to be permanent facilities and subject to all State Allocation Board (SAB) policies regarding the chargeability, abandonment and building allowance for permanent facilities.

ABANDONMENT OF PORTABLES

There are two ways that a portable classroom may be abandoned under the provisions of the Lease-Purchase Program. They are as follows:

1. The portable classroom is nonconforming and meets all the following tests:
 - a. The district has submitted a structural report of the portable classroom which identifies the structural deficiencies and the dollar amount of the minimum work necessary to bring the portable into structural compliance based on the original construction requirements for the date of construction of the portable. The report must also state that the portable is unsafe for occupancy based on the structural requirements in place when the portable was constructed unless the repairs noted in the report are implemented.
 - b. The Division of State Architect must concur with the findings in the report noted above.
 - c. The district must have new area entitlement after the portable in question has been deemed non-chargeable.
 - d. The cost approved by the OPSC as the amount to make the repairs noted in the structural report plus the cost for any modernization eligibility must be at least 75 percent of the current replacement value of the portable based on a dollar value of \$35 per square foot, plus all applicable indices.
2. The portable classroom has been leased or owned by the district for at least 20 years and the district has new area entitlement after the portable in question has been deemed non-chargeable.

(Continued on Page Two)

REPLACEMENT

If a portable qualifies for abandonment in either of the two ways noted above, it will only be replaced in one of the following ways:

1. Replacement with a portable classroom that complies with the portable definition. The district will be given a building allowance of \$35 per square foot of the replacement portable area plus all applicable indices.
2. The district may replace portable facilities with permanent facilities, however, the district will be required to pay an amount equal to the difference in the square footage allowance for a portable and a permanent classroom, plus all applicable indices from other district funds. The District must utilize one of the following financing mechanisms:
 - a. Local General Obligation Bonds.
 - b. Bonds issued pursuant to the Mello-Roos Community Facility Act of 1982.
 - c. Other financing mechanisms that do not encumber the school district's general fund.

Any area generated by the abandonment of portables under this policy must first be used for replacement of the portable classroom abandoned. Remaining area may be included in the Lease-Purchase Program project as permanent area and funded accordingly.

30 PERCENT RELOCATABLE REQUIREMENT

Any portable abandoned under the provisions of this policy and replaced in the project will not be counted for purposes of determining the 30 percent relocatable requirement.

DISPOSAL OF ABANDONED PORTABLES

Any portable abandoned and replaced under this policy will be excluded from the area of adequate school construction for purposes of future district eligibility but must be removed from service as a school building within 180 days from the date the "Notice of Completion" is filed for the replaced area. When the 180 day period has expired, the portable classroom may not be used for interim housing, headstart, preschool or any other use which requires entry by pupils as a school building. The district may dispose of abandoned portables in one of the following methods:

1. Sold. Sale proceeds are subject to current SAB policy regarding property disposition.
2. Destroyed. Demolition may be included in the cost of the project if the portable is in the way of the replacement project. If not, the cost for demolition is at district expense.
3. Reused. An abandoned portable may be used for storage on a non-school site. Relocation to a non-school site is at district expense.
4. Other. As approved specifically by the SAB.